

# HMSA



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STATE OF HAWAII

November 11, 2009 NOV 12 A 11:35

Mr. George Kahoohanohano  
Chairperson  
Board of Trustees  
Hawaii Employer-Union Health Benefits Trust Fund  
P.O. Box 2121  
Honolulu, HI 96805

Dear Chair Kahoohanohano:

HMSA has a long-standing record of partnership in support of access to quality, affordable health care for State and County employees. Over the years your EUTF members have come to trust and rely on HMSA to be there when they need care for their families. Members have also come to depend on the popular HMSA health programs such as HealthPass, HMSA's Care Connection and, more recently HMSA's Online Care. More important, however, the care EUTF members receive from HMSA's unmatched choice of Hawaii physicians as well as from other medical providers has been critical to their ongoing health and well-being.

It is for these reasons that we are writing to you to express HMSA's deep concern over the distressing situation regarding the current EUTF open enrollment now in progress. As you will see, it is our strong recommendation that the EUTF take immediate action to cancel the current open enrollment, retain the current plan status of EUTF members, and resolve the serious problems discussed below so as to be ready for the next open enrollment in 2010.

### **Misleading and Inadequate Member Communications.**

The EUTF continues to distribute information that states no action is needed if the member wants to continue with the same enrollments and plan design. The language of the Open Enrollment General Notice states that, "If you wish to continue with the same enrollments and plan designs you are currently enrolled in, no further action is necessary . . . If you have no choices to make to your health benefit and life insurance choices, do not submit a Form EC-1." This is simply not the case if the member desires to remain with the current plan administrator. The programs and doctors they have come to depend on for their care may not be there should they take no action.

### **Significant Process Departure from the Long History of Past EUTF Open Enrollments.**

The unprecedented departure in process from previous EUTF open enrollments constitutes a major change for the EUTF members. It is not unfair to say that members have never been confronted with being automatically defaulted to another carrier and forced to take an extraordinary action to simply stay with the current carrier. EUTF members not familiar with the complexities of health care coverage will be especially disadvantaged.

### **Widespread Member Confusion and Concern.**

Combined with misleading information and poor notification, this substantial change in open enrollment procedure has led to widespread confusion among members and will result in a serious disruption of health care services for thousands of members and their families. HMSA has received hundreds of telephone calls from the EUTF members confused as to how to retain HMSA as their carrier. The EUTF call center itself "has been stretched beyond its limit." (November 5, 2009, Mr. Williams Letter) Open Enrollment sessions have been flooded with member questions. Many EUTF members have a genuine fear that they will misunderstand the changes and through either action or inaction lose their HMSA administered plan.

### **Admitted Possibility of EUTF Not Meeting Important Open Enrollment Deadlines**

In a November 5, 2009 letter to Legislative leadership and others, Mr. Williams, EUTF Administrator wrote:

"The purpose of this memo is to inform you that the EUTF has serious workload and resource issues that are impacting service levels and may prevent the EUTF from completing open enrollment and other processing on a timely basis and by important deadlines.

The consequences of the EUTF failing to meet processing deadlines will be disruptive to all concerned. Adjustments to payroll deduction amounts may be delayed, resulting in over-deductions and under-deductions, followed by retroactive corrections in subsequent months. Employees who change benefit plans and schedule appointments for January may find their health service provider is unable to confirm eligibility and coverage through the carrier/plan administrator, because their records have not yet been processed and transmitted by the EUTF. . . ."

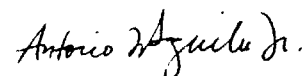
There may be no corrective action possible to rescue members from the consequences of this bureaucratic fate save one.

### **Canceling the Current EUTF Open Enrollment**

We recognize that canceling open enrollment will be a difficult step to take for the EUTF. Yet it is our strong belief that the current process is fatally flawed with little real hope that it can be corrected mid-stream. The important issue is whether to continue on a path that will seriously disrupt the health care for thousands of EUTF members, or to take the actions required to prevent that unnecessary and painful experience being inflicted on your members.

HMSA continues to offer its support for the EUTF members in delivery of accessible and affordable quality health care. As our years of partnership with State and County employees have demonstrated, we stand ready and willing to be of any assistance in this matter.

Sincerely,



Antonio J. Saguibo, Jr.  
Vice President  
Account Management & Sales